Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20054

In the Matter of	)	
	)	
Amendment of the Commission's Rules to	)	WT Docket No. 96-162
Establish Competitive Service Safeguards	)	
for Local Exchange Carrier Provision of	)	
Commercial Mobile Radio Services	)	

U S WEST REPLY COMMENTS

U S WEST, Inc. submits these comments in response to the 18 comments filed in this rulemaking proceeding.[1]

I. PROPONENTS OF ADDITIONAL SAFEGUARDS FOR BOC PROVISION OF PCS DID NOT PRESENT SUFFICIENT EVIDENCE TO DEMONSTRATE A "CLEAR CUT NEED"

For the most part, proponents of additional safeguards on BOCs providing PCS repeat the same arguments that the Commission rejected in 1993,[2] and again in 1995.[3] They present virtually no new evidence in support of their arguments, and most of them

[1] Comments were filed by: AirTouch Communications, Inc. (AirTouch); Ameritech; AT&T Wireless Services, Inc. (AT&T); Bell Atlantic Corporation and NYNEX Corporation (Bell Atlantic/NYNEX); BellSouth Corporation (BellSouth); Cincinnati Bell Telephone Company (CBT); CMT Partners (CMT); Comcast Cellular Communications, Inc. (Comcast); Cox Communications, Inc. (Cox); GTE Service Corporation (GTE); MCI Telecommunications Corporation (MCI); National Telephone Cooperative Association (NTCA); Pacific Bell, Nevada Bell, Pacific Bell Mobile Services, and Pacific Telesis Mobile Services (Pacific); Public Utilities Commission of Ohio (PUCO); Rural Cellular Association (RCA); Rural Telecommunications Group (RTG); SBC Communications, Inc. (SBC); and U S WEST, Inc. (U S WEST).

[2] Broadband PCS Order, 8 FCC Rcd 7700 (1993), *on recon.*, 9 FCC Rcd 5154 (1994).

[3] Landline SMR Safeguards Order, 10 FCC Rcd 6280, 6291-94, ¶¶ 20-23 (1995).

do not even mention these decisions.[4] The rhetoric, however, hits an all-time high. Comcast colorfully claims that "absent adequate safeguards, wireless competition from new, non-BOC-affiliated entities will be crushed by the BOCs before it can leave the cradle."[5] MCI warns that if the Commission eliminates the cellular separation rule any time in the near future, "local exchange and CMRS competition will be stillborn."[6]

These dire predictions are not backed up by concrete facts or evidence. Indeed, the evidence tends to suggest that the opposite is true, *i.e.*, that full BOC participation in CMRS will enhance competition and benefit consumers. The Commission has a decade of experience with large independent LECs such as GTE providing cellular services on an integrated basis. There have been no significant problems,[7] and there is no reason to expect significant problems if the Commission does not change is policy permitting BOCs to offer PCS on an integrated basis. Any problems that may have occurred in the past in regard to LEC/CMRS interconnection occurred in an environment that no longer exists.

Of course, the Commission has the authority to change its policies and rules regarding PCS. It must provide, however, a "reasoned explanation" for any changes.[8]

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[4] *See* U S WEST at 1-3.

[5] Comcast at i. Comcast's view of what is "adequate" for PCS differs sharply from U S WEST's view. Going far beyond what the Commission has previously decided is adequate for PCS, Comcast advocates extending the existing cellular structural separation rules in Section 22.903 to all Tier 1 incumbent LEC in-region CMRS. *Id.* at 3-8.

[6] MCI at 20.

[7] *See* GTE at 7 (noting that "there is no credible evidence that the non-BOC Tier 1 LECs have shifted costs or engaged in any . . . discriminatory conduct").

[8] *See, e.g.,* Office of Comm. of the United Church of Christ v. FCC, 707 F.2d 1413, 1425 (D.C. Cir. 1983)(*quoting* Greater Boston Tel. Corp. v. FCC, 444 F.2d 841, 852 (D.C. Cir. 1970)). *See also* TDS, Inc. v. FCC, 19 F.3d 42, 49 (D.C. Cir. 1994)("The Commission may overrule or limit its prior decisions by advancing a reasoned explanation for the change, but it may not blithely cast them aside").

Nothing on the record shows that the Commission's previous determinations permitting LEC-PCS and LEC-SMR integration are no longer valid. Rather, the record demonstrates just the opposite.[9] Today, there is even less reason to be concerned about the potential for BOC abuse of market power than there was when the Commission originally established its policies and rules.

Changing the rules for PCS at this stage of the game cannot be squared with Congress' intent. As the Commission has previously declared, in the 1993 Budget Act Congress "delineated its preference for allowing [the CMRS] market to develop subject to only as much regulation for which the Commission and the states could demonstrate a clear cut need."[10] None of the proponents of additional safeguards for BOC-PCS operations have demonstrated a "clear cut need," nor have they provided any convincing justification for disrupting the regulatory environment within which U S WEST has operated for more than three years.[11] U S WEST began developing business plans for PCS soon after the Commission issued the Broadband PCS Order three years ago. In reliance on these rules, it has begun to implement its business case (*e.g.,* participating in the current auction). Imposing new regulatory requirements at this stage would disrupt U S WEST's

[9] *See, e.g.,* BellSouth at 18 (public interest would not be served by requiring BOCs to provide PCS only through a separate subsidiary); Ameritech at 10 (truly nonstructrual safeguards are sufficient for LEC provision of PCS services).

[10] Connecticut CMRS Rate Order, 10 FCC Rcd 7025, 7031, ¶10 (1995) (emphasis added).

[11] Some commenters dismiss the financial impact of imposing new regulatory requirements. *See, e.g.,* AT&T at 12 (claiming that "the benefits of structural separation far outweigh the costs for all in-region CMRS"); PUCO at 3 (claiming that requiring BOCs to comply with structural separation requirements "would not impose an excessive or undue financial burden on those entities"). There is evidence on the record, however, demonstrating just the opposite. *See* GTE at 25-28 (emphasizing costs of forcing non-BOC Tier I LECs to provide CMRS through a separate affiliate).

business plans, and would undermine the Commission's own goal to establish "a stable, predictable regulatory environment [for CMRS] that facilitates prudent business planning."[12]

A. No New or Special Accounting Rules Are Needed

Some CMRS competitors claim that the current accounting rules are inadequate, and argue for "expanded" accounting requirements. Specifically, they claim that the current rules give the LECs too much discretion, and that LECs should be required to disclose all CMRS costs and revenues on a line-by-line basis.[13] AT&T argues that the Commission should require all Tier 1 LECs to file a separate set of financial reports on a quarterly basis "for public review."[14]

There is no need for these additional reporting requirements. The current rules were designed to accommodate various types of nonregulated services, and have been applied effectively in a wide range of situations.[15] The Commission was "convinced" of the efficacy of the current rules nearly half a decade ago,[16] and nothing to undermine the Commission's confidence has occurred since then. Moreover, the Commission has al-

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[12] Connecticut CMRS Rate Order, 10 FCC Rcd at 7032, ¶ 10 (citations omitted).

[13] AirTouch at 5-6; Comcast at 11-14; Cox at 5-7.

[14] AT&T at 4.

[15] For example, in regard to inmate-only payphones, the Commission recently declared that "[o]ur accounting safeguards with regard to non-regulated services sufficiently protect against the potential for cross-subsidization." Inmate-Only Payphones Declaratory Ruling, 11 FCC Rcd 7362, 7374, ¶ 27 (Feb. 20, 1996)(footnote omitted).

[16] Bell Operating Companies Safeguards, 6 FCC Rcd at 7595, ¶ 54. *See also* Southwestern Bell Corp. v. FCC, 896 F.2d 1378, 1379 (D.C. Cir. 1990)(Commission's accounting rules upheld as "reasonably designed to prevent systematic abuse of ratepayers").

ready decided that it is unnecessary to adopt special accounting rules for CMRS services. It ruled just last year in the CMRS docket that "existing and applicable accounting rules should deter cross-subsidization problems."[17] Again, a reasoned explanation must be given for any departure from this decision.

Comcast argues that the Commission "must reassess existing tools to determine if they meet Congress' directive."[18] The Commission is doing just that in a separate proceeding.[19] Arguments about the adequacy of the Commission's accounting rules are more properly raised there.

Although AT&T has acknowledged elsewhere that "local landline telephone service is generally priced below cost,"[20] AT&T nonetheless asserts in its comments in this proceeding that cross-subsidization of competitive CMRS services with these regulated local services "remains a very real danger."[21] In support, AT&T refers to a NARUC audit that purportedly found that Pacific Telesis had misallocated an unspecified amount of its PCS costs.[22] Pacific's detailed rebuttal of this charge is already on the record.[23] The few other isolated instances mentioned in the comments where the accounting rules

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[17] Landline SMR Safeguards Order, 10 FCC Rcd 6280, 6291-94 ¶¶ 20-23 (1995).

[18] Comcast at 11.

[19] *See* Accounting Safeguards Under the Telecommunications Act of 1996, Notice of Proposed Rulemaking, CC Docket 96-150 (July 18, 1996).

[20] AT&T Comments, CC Docket 94-54 at 10 (June 14, 1995).

[21] AT&T at 8.

[22] *Ibid.*

[23] PacTel Reply Comments, GEN Docket No. 90-314, at 23-26 (September 12, 1995).

may not have been applied correctly serve to demonstrate that the current system is working, and that violations can and will be detected and remedied.

U S WEST has a good track record for compliance with the Commission's accounting rules. A recent Commission-directed audit of U S WEST's incumbent LEC revenue pool revealed that it had misstated or miscalculated a negligible amount of expenses (only 0.1% of the total $2.2 billion in expenses reviewed), and that the net effect of the miscalculations resulted in an understatement of costs by approximately $2.6 million.[24] Thus, it was U S WEST's shareholders, not its ratepayers, who were negatively impacted by the miscalculations. The record simply does not show a "clear cut need" for the development and implementation of new, special accounting rules for LEC-CMRS operations.

B. Accusations of Discriminatory Interconnection and Failure to Pay Mutual Compensation Provide No Basis for Imposing A Separate Affiliate/Subsidiary Requirement

According to AT&T, the cellular separate subsidiary rule should be maintained because "LECs have failed to provide CMRS providers with mutual compensation and nondiscriminatory interconnection rates."[25] It is true that in the past LECs did not pay mutual compensation to CMRS providers for landline-originated traffic. Commission policy on mutual compensation, however, was not entirely clear.[26] In any event, prob-

[24] *See* U S WEST Communications, Inc., AAD 93-152 (1995).

[25] AT&T at 7; id. at 2.

[26] The Commission did have a general policy (and later a rule, namely 47 C.F.R. § 20.11(b)) regarding mutual compensation for LEC-CMRS interconnection. FCC Policy Statement on Interconnection of Cellu-

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lems that may have occurred in the past are no longer relevant -- and cannot be used as a basis for imposing new regulation -- because under the 1996 Act all LECs now have "[t]he duty to establish reciprocal compensation arrangements for the transport and termination of telecommunications"[27] — a duty which applies to LEC-CMRS interconnection. This statutory duty is in no way impacted by the stay of portions of the Local Competition Order.[28]

Equally unpersuasive is AT&T's claim that new safeguards are needed (and old ones should not be removed) because LECs have failed to provide CMRS providers with nondiscriminatory interconnection rates.[29] U S WEST is unaware of a single complaint filed in the past decade alleging that any LEC had favored its CMRS affiliate, and discriminated against unaffiliated CMRS providers.[30] Rather, it appears that AT&T is basing its claim on the fact that CMRS interconnectors historically paid different prices than those paid by *landline* interconnectors. However, the Commission held long ago that there was "no basis in the Commission's *Cellular Decisions* to support the conclusion

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lar Systems, 50 R.R.2d 1283, 1284-85 n.3 (1986). However, the Commission held that it lacked jurisdiction over intrastate LEC-CMRS traffic, and its orders never mandated mutual compensation for intrastate traffic. *See* Indianapolis Telephone v. Indiana Bell, 1 FCC Rcd 228, 229-30 ¶¶ 9-10 (1986), *aff'd*, 2 FCC Rcd 2893, 2894 ¶¶ 5-7 (1987).

[27] 47 U.S.C. § 251(b)(5).

[28] *See* Order Granting Stay Pending Judicial Review, Nos. 96-3321, *et al.*, Iowa Util. Bd. v. FCC (8th Cir. Oct. 15, 1996).

[29] AT&T at 7.

[30] The Commission stated only last year that, "[a]s evidence of the infrequency of interconnection problems, we are unaware of any pending complaints alleging discriminatory interconnection filed by unaffiliated cellular providers against wireline carriers with cellular affiliates." Landline SMR Safeguards Order, 10 FCC Rcd 6280, 6293 ¶ 22 (1995)(footnote omitted).

that 'reasonable interconnection' requires an arrangement that is equivalent or similar to such arrangements between two local landline telephone carriers."[31] As recently as January, the Commission proposed to treat CMRS interconnectors differently than LEC interconnectors.[32] In any event, the enactment and implementation of the 1996 Act moots AT&T's claim regarding discriminatory interconnection.[33] Other safeguards are designed to protect against that. No new ones are needed.

AT&T also contends that the Commission should extend the BOC cellular separate subsidiary rule to other broadband CMRS services. According to AT&T, the Commission decided that the 35 MHz "cellular-PCS cross-ownership restriction generally obviated the need for separate subsidiaries in the context of BOC provision of PCS."[34] The "elimination of [this] rule," AT&T continues, "changes that analysis" because BOCs are now able to acquire "significant in-region PCS spectrum." AT&T is incorrect several reasons. First, the Commission determined that the 35 MHz cellular-PCS cap was "unnecesary" because the market concentration levels under the single 45 MHz cap would not be higher than the level that would be possible under the cellular/PCS spectrum cap.[35] Therefore, the cap may have changed, but the result is the same: the 45 MHz cap prevents wireline carriers from exercising undue market power in wireless services.

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[31] Indianapolis Telephone, *supra*, 1 FCC Rcd at 229 ¶ 9, *aff'd*, 2 FCC Rcd at 2894 ¶¶ 5-7.

[32] *See* LEC-CMRS Interconnection, CC Docket No. 95-185, 11 FCC Rcd 5020 (Jan. 11, 1996) (Notice of Proposed Rulemaking).

[33] *See, e.g.*, 47 U.S.C. §§ 251(a) & 251(c)(2).

[34] AT&T at 12 (citation omitted).

[35] Cellular/PCS Spectrum Cap, WT Docket No. 96-59, 11 FCC Rcd 7824, 7875, ¶104 (June 24, 1996).

The Commission recognized this in the SMR context, where it characterized the 45 MHz broadband cap as a "competitive safeguard."[36] Finally, the practical effect of this change is that BOCs are now eligible to acquire up to 20 MHz of PCS spectrum in-region, instead of only 10 MHz. 20 MHz can hardly be described as "significant" compared to the 25 MHz cellular licensees and the 30 MHz C Block licencees. Besides, only a few BOCs are even participating in the D and E block PCS spectrum auction.

In general, proponents of safeguards fail to take into account the many regulatory and market developments that point toward less, rather than more, regulation. MCI, for example, repeatedly asserts that the "factual predicate" for the Commission's original decision to impose the cellular separate subsidiary rule has not changed.[37] There can be no question that all telecommunications markets, including CMRS, have changed dramatically since 1981. Besides, the Commission has previously concluded in the CMRS context that "evidence of where a market is going is more relevant than evidence of where it has been."[38] The Commission should embrace the same forward-looking outlook in this proceeding. There is no evidence on the record that market conditions will fail to protect consumers when by all indications the CMRS market will become increas-

[36] *See* Landline SMR Safeguards Order, 10 FCC Rcd 6280, 6291-92 ¶ 20 (1995)("wireline SMR acquisitions will be subject to our CMRS spectrum cap, which restricts the amount of cellular, broadband PCS and SMR spectrum that any one entity may acquire in a geographic market. This acts as a competitive safeguard by limiting all wireline carriers from exerting undue market power in these services.")(footnote omitted).

[37] *See* MCI at 2, 5, & 13.

[38] Connecticut CMRS Rate Order, 10 FCC Rcd. at 7040, ¶ 26.

ingly competitive. As the Commission has recognized, "competition is a strong protector of [the interests of telecommunications users]."[39]

Some commenters essentially base their claim for new regulation in the CMRS market on the view that the CMRS market and/or the local exchange market is immature or inadequately competitive.[40] As the Commission has recognized, however, "[a]lmost all markets are imperfectly competitive, and such conditions can produce good results for consumers."[41] Moreover, the Commission knows that while evidence of market imperfections may cause concern, and may warrant continued monitoring of market activities, such imperfections do not in and of themselves provide a sufficient basis for regulation.[42] The same analysis applies here. There is an insufficient basis for new regulation of BOC-PCS services.

II. THERE IS NO BASIS FOR RESTRICTING BOCS' ABILITY TO USE CPNI TO MARKET CMRS AND TO ENGAGE IN JOINT MARKETING

Several commenters ask the Commission to handicap their BOC competitors by imposing special CPNI restrictions on the BOCs, but not on themselves — all under the

[39] *Id.* at 7027, ¶ 4 (citation omitted).

[40] *See, e.g.,* Comcast at i (asserting that "the CMRS marketplace is in its infancy"); Cox at 3 (arguing that "[s]tructural separation requirements should be used until the wireline local exchange market is truly competitive"); AT&T at 19 (arguing that the Commission should postpone its decision about sunset provisions to a future rulemaking "when the Commission and the industry can assess the state of competition in the CMRS and local exchange marketplaces").

[41] *See* Connecticut CMRS Rate Order, 10 FCC Rcd at 7035, ¶ 17 (footnotes omitted).

[42] *Id.*

guise of competitive parity.[43] The Commission should not impose special CPNI rules on any subclass of telecommunications carriers — including BOCs or Tier 1 LECs. As BellSouth observed, Congress recognized ultimately that "[c]ustomers' privacy expectations do not vary with the identity of the carrier, and are thus no more or less deserving of organizational or procedural protections simply because of their carrier's identity."[44]

Some of these non-BOC commenters complain, however, that BOCs would have a "huge competitive advantage" over all other carriers if the BOCs could use CPNI in the provision of CMRS.[45] These non-BOCs assert that this advantage stems from the fact that the BOCs have a monopoly in the local exchange market.[46] Restricting use of CPNI on the grounds that the BOCs possess a monopoly in the local exchange market would be unjustified in view of the inablility of the BOCs to exercise market power in those ancillary markets. In passing the Telecommunications Act of 1996, Congress removed all legal barriers to entry so anyone, including the complaining non-BOC carriers, can now provide the same services as the BOCs.[47] Congress also removed economic barriers to

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[43] *See* AirTouch at 6-8; AT&T at 22-23; CMT at 15-16 (Special BOC-only rules "should assure both appropriate privacy safeguards and [an] 'equal playing field.'"); Comcast at 14-17 (Without special rules, "incumbent LECs would not be operating 'on par' with their competitors."); and Cox at 7-9.

[44] BellSouth at 53.

[45] *See* AirTouch at 3 (CPNI "and customer access generated from monopoly local exchange franchise operations provide LECs with an enormous advantage and an inappropriate means of assisting their competitive affiliates"); AT&T at 23 (treating BOCs differently "is appropriate because the CPNI a BOC possesses [is obtained] by virtue of its local exchange monopoly"); Comcast at 14 ("LECs have a huge competitive advantage over other potential service providers because of their unique access to CPNI"); Cox at 9 ("Incumbent LECs must not be permitted to leverage their years of monopoly power in the wireline telephony business into dominance in the wireless industry through unfair usage of CPNI").

[46] *Ibid.*

[47] *See* Section 253(a), which provides that "[n]o State or local statute or regulation, or other State or local

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entry as well, by allowing purchase of unbundled network elements and BOC retail services.[48]

Cox argues that BOCs should be required to obtain written approval from their landline customers before they use this landline information in selling CMRS services to the same customers.[49] However, in Section 222(c)(1), Congress clearly determined that a carrier need not seek any customer approval before using the customer's CPNI "in its provision of (A) the telecommunications service from which such information is derived, or (B) services necessary to, or used in, the provision of such telecommunications service." As the Commission has already acknowledged, under the 1996 Act CMRS providers provide "comparable service" to telephone exchange service.[50] There is, therefore, no need for a carrier to obtain any customer approval before using landline CPNI in selling its CMRS services — or, for that matter, in using its CMRS CPNI in selling its landline services. As Congress has stated, consumers "rightfully expect that when they are deal-

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legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service."

[48] *See* Sections 251(c)(3), 251(c)(4)(A) and 252(d)(3).

[49] *See* Cox at 8 ("CPNI gained in the provision of incumbent LEC monopoly service should not be permitted to be used to market wireless services unless the LEC obtains written customer authorizations."). AirTouch makes the same argument, but goes further in arguing that "LECs should also be required to provide the opportunity for customers to authorize the provision of local exchange CPNI to third parties at the same time they seek to obtain written approval for LEC cross-marketing purposes." AirTouch at 7. The Commission should refrain from adopting any such rule because it would force the BOCs to act as agents for their competitors, and a true agency relationship cannot be involuntary.

[50] First Local Competition Report, CC Docket 96-98, FCC 96-325, ¶ 1013 (Aug. 8, 1996). Even if CMRS were considered to be a different service for purposes of Section 222(c)(1)(A), carriers could still use landline CPNI with CMRS because, under Section 222(c)(1)(B), CMRS unquestionably is a service which can be "used in . . . the provision of such [landline local] telecommunications service."

ing with the carrier concerning their telecommunications services, the carrier's employees will have available all relevant information about their service."[51]

Comcast goes even further. It argues that BOCs must not only secure customer consent to use their landline CPNI in their CMRS services, but also that the BOCs should then "be obligated to share that CPNI with any requesting non-affiliated carrier."[52] This proposal is not only inconsistent with Section 222(c)(2) which requires a telecommunications carrier to disclose CPNI to any person designated by the customer upon affirmative written request by the customer, but with customer expectations as well. Section 222(c)(2) clearly implies that a carrier may not disclose CPNI to another carrier without first obtaining the customer's written consent, thus accommodating customer expectations.

Congress has removed all barriers to entry so the public will have increased choices both in the number of service providers and in the number of service packages available to them. To facilitate this "one-stop shopping," Congress has permitted each carrier to use fully its customers' CPNI. Congress envisioned that success in the marketplace would be determined by market forces, not by disparate government regulations.

[51] H.R. Rep. No. 104-205, 104th Cong., 1st Sess., at 90 (July 25, 1995)(emphasis added). Consumers have minimal privacy expectations when their current serving carrier utilizes their information to develop new service packages which they may find attractive. Privacy expectations are addressed by Section 222(c)(2).

[52] Comcast at 16.

Similarly, the Commission should not adopt any of AT&T's proposals regarding restrictions on BOC joint marketing.[53] AT&T's desire to draw a line between marketing activities and development/planning of joint services is not practical, and threatens the achievement of efficiencies and economies of scope that will permit the BOCs to operate as low-cost providers, passing those savings along to consumers. AT&T also argues that a BOC and its affiliate should be required to announce the availability and terms of any joint marketing arrangement at least three months prior to implementing it. It claims that this rule is necessary to prevent an affiliate from having a "discriminatory" "first mover" advantage over unaffiliated carriers. The Commission has recognized the importance of the first mover advantage in the competitive process, and has disapproved rules requiring preannouncement of business plans because they tend to decrease price competition by removing incentives for competitive price discounting.[54] Requiring BOCs to announce joint marketing arrangements three months in advance would not be in the public interest.

Rather than competing in the marketplace using all the tools Congress has given them, some CMRS providers would prefer to hobble their BOC-PCS competitors. This approach may be consistent with their own financial interest, but it is not consistent with Commission precedent, Congress' intent or the "deregulatory framework" of the 1996 Act.[55] And, most fundamentally, this approach is not consistent with the public interest

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[53] AT&T at 21.

[54] *See, e.g.,* CMRS Second Report and Order, 9 FCC Rcd 1411, 1479-80, ¶¶ 177-78 (Mar. 7, 1994); Competitive Carrier Sixth Report and Order, 99 FCC 2d 1020, 1030, ¶ 13 (Jan. 4, 1985).

[55] *See* Conf. Rep. No. 104-458, 104th Cong., 2d Sess. 1, 113 (1996)(Joint Explanatory Statement).

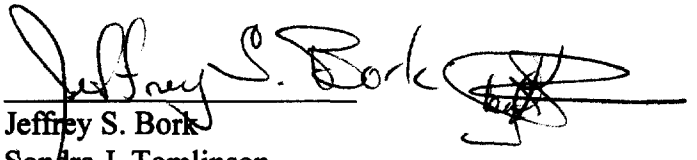
because consumers will benefit from the increased choices and innovative service packages that will result from liberal use of CPNI and joint marketing freedoms.

III. CONCLUSION

The commenters supporting additional safeguards for PCS have not met the burden of demonstrating a "clear cut need." Most repeat arguments the Commission has rejected in the past; the few new arguments are unpersuasive. For the foregoing reasons, the Commission should not impose new safeguards on LEC provision of PCS. The Commission also should not depart from the plain directive of Section 222 by adopting disparate rules for different classes of carriers, and should not single out the BOCs for special restrictions on joint marketing of CMRS services.

Respectfully submitted,

U S WEST, Inc.



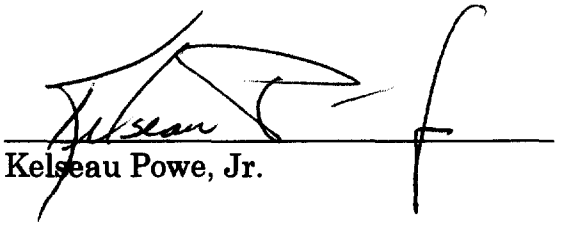
Jeffrey S. Bork
Sondra J. Tomlinson
U S WEST, Inc.
1020 19th Street, N.W., Suite 700
Washington, D.C. 20036
303-672-2700

Daniel L. Poole
Of Counsel

October 24, 1996

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 24th day of October, 1996, I have caused a copy of the foregoing **U S WEST REPLY COMMENTS** to be served via first-class United States Mail, postage prepaid, upon the persons listed on the attached service list.



Kelseau Powe, Jr.

***Via Hand-Delivery**

(WT96162B.COS/ST/lh)

*James H. Quello
Federal Communications Commission
Room 802
1919 M Street, N.W.
Washington, DC 20554

*Reed E. Hundt
Federal Communications Commission
Room 814
1919 M Street, N.W.
Washington, DC 20554

*Susan P. Ness
Federal Communications Commission
Room 832
1919 M Street, N.W.
Washington, DC 20554

*Rachelle B. Chong
Federal Communications Commission
Room 844
1919 M Street, N.W.
Washington, DC 20554

*Regina M. Keeney
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, DC 20554

*Michele Farquhar
Federal Communications Commission
Room 5002
2025 M Street, N.W.
Washington, DC 20554

*David Furth
Federal Communications Commission
Room 7002
2025 M Street, N.W.
Washington, DC 20554

*Karen Brinkmann
Federal Communications Commission
Room 5002
2025 M Street, N.W.
Washington, DC 20554

*Richard K. Welch
Federal Communications Commission
Room 844
1919 M Street, N.W.
Washington, DC 20554

*William A. Kehoe, III
Federal Communications Commission
Room 257
2000 L Street, N.W.
Washington, DC 20036

*Bobby Brown
Federal Communications Commission
Room 7130-O
2025 M Street, N.W.
Washington, DC 20554

(2 Copies)

*International Transcription Services, Inc.
Suite 140
2100 M Street, N.W.
Washington, DC 20037

Cathleen A. Massey
Douglas I. Brandon
AT&T Wireless Services, Inc.
Suite 400
1150 Connecticut Avenue, N.W.
Washington, DC 20036

Howard J. Symons ATTSWI
Donna N. Lampert
Sara F. Seidman
Mintz, Levin, Cohn, Ferris,
Glovsky & Popeo, PC
Suite 900
701 Pennsylvania Avenue, N.W.
Washington, DC 20004

Gail L. Polivy
GTE Service Corporation
Suite 1200
1850 M Street, N.W.
Washington, DC 20004

Betty D. Montgomery
Duane W. Luckey
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793

Frank W. Krogh
Donald J. Elardo
MCI Telecommunications Corporation
1801 Pennsylvania Avenue, N.W.
Washington, DC 20006

Leonard J. Kennedy COMCAST
Laura H. Phillips COX
Christina H. Burrow
Dow, Lohnes & Albertson, PLLC
Suite 800
1200 New Hampshire Avenue, N.W.
Washington, DC 20036-6802
(2 copies)

David A. Gross
Kathleen Q. Abernathy
AirTouch Communications, Inc.
Suite 800
1818 N Street, N.W.
Washington, DC 20036

James R. Forcier
AirTouch Communications, Inc.
9th Floor
One California Street
San Francisco, CA 94111

William B. Barfield
Jim O. Llewellyn
BellSouth Corporation
Suite 1800
1155 Peachtree Street, N.E.
Atlanta, GA 30309-2641

David G. Frolio
David G. Richards
BellSouth Corporation
1133 21st Street, N.W.
Washington, DC 20036

Jack B.Harrison
Frost & Jacobs
2500 Central Trust Center
201 East Fifth Street
Cincinnati, OH 45202

CBTC

Thomas E. Taylor
Cincinnati Bell Telephone Company
2500 Central Trust Center
6th Floor
201 East Fourth Street
Cincinnati, OH 45202

Richard Ekstrand
The Rural Cellular Association
Suite 520
2120 L Street, N.W.
Washington, DC 20554

Adam A. Andersen
CMT Partners
15th Floor
651 Gateway Boulevard
S. San Francisco, CA 94080

Thomas Gutierrez
J. Justin McClure
Lukas, McGowan, Nace & Gutierrez, Chtd.
Suite 1200
1111 19th Street, N.W.
Washington, DC 20036

CMT-P

Michael S. Pabian
Ameritech Operating Companies
Room 4H82
2000 West Ameritech Center Drive
Hoffman Estates, IL 60196-1025

Edward D. Young, III
James G. Pachulski
Bell Atlantic Telephone Companies
8th Floor
1320 North Court House Road
Arlington, VA 22201

Robert Lewis
NYNEX Corporation
1111 Westchester Avenue
White Plains, NY 10604

John T. Scott, III BA/NYENX
Crowell & Moring, LLP
1001 Pennsylvania Avenue, N.W.
Washington, DC 20004

Michael R. Bennet RTG
Caressa D. Bennet
Bennet & Bennet, PLLC
Suite 500
1019 19th Street, N.W.
Washington, DC 20036

David Cosson
L. Marie Guillory
National Telephone Cooperative Association
2626 Pennsylvania Avenue, N.W.
Washington, DC 20037

James P. Tuthill
Betsy Stover Granger
Pacific Bell Mobile Services
4th Floor-Building 2
Pleasanton, CA 94588

Durward D. Dupre
Mary Marks
Darryl Howard
Jonathan Royston
Southwestern Bell Telephone Company
Room 3520
One Bell Center
St. Louis, MO 63101

James D. Ellis
Robert M. Lynch
Wayne Watts
David F. Brown
SBC Communications, Inc.
Room 1254
175 East Houston
San Antonio, TX 78205

Bruce E. Beard
Southwestern Bell Mobile Systems, Inc.
Suite 100-N
13075 Manchester Road
St. Louis, MO 63131

Glen Glass
Carol Tacker
Southwestern Bell Mobile Systems, Inc.
Suite 100-A
17330 Preston Road
Dallas, TX 75252